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Viewing cable 08MANAGUA416, AMBASSADOR VISITS MINING TRIANGLE - UNCERTAINTY

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- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
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Reference ID	Created	Released	Classification	Origin
08MANAGUA416	2008-04-08 19:26	2011-08-30 01:44	CONFIDENTIAL	Embassy Managua

Appears in these articles:

<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758456.aspx>
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758467.aspx>
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<http://www.confidencial.com.ni/articulo/3967/barreto-era-ldquo-fuente-confiable-rdquo-para-eeuu>

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C O N F I D E N T I A L SECTION 01 OF 05 MANAGUA 000416

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E.O. 12958: DECL: 04/08/2018
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SUBJECT: AMBASSADOR VISITS MINING TRIANGLE - UNCERTAINTY
PREVAILS

REF: A. MANAGUA 105

- [1](#)B. MANAGUA 209
- [1](#)C. MANAGUA 212
- [1](#)D. MANAGUA 297

Classified By: Ambassador Paul A. Trivelli for reasons 1.4(b,d)

[1](#)1. (C) SUMMARY: The Liberal Constitutional Party (PLC) and "Vamos Con Eduardo" -- former members of the Nicaraguan Liberal Alliance (ALN) loyal to Eduardo Montealegre -- are running on unified tickets in November's Municipal elections in the Mining Triangle towns of Bonanza, Rosita, and Siuna in the interior of Nicaragua's Northern Atlantic Autonomous Region (RAAN). However, in all three municipalities they lack clear campaign strategies or visions for the future, believing that popular dislike for their archival Sandinista National Liberation Front (FSLN) -- fueled by mismanagement and politicization of hurricane relief supplies -- will guarantee victory. Suspension of elections in the neighboring municipalities of Puerto Cabezas, Waspam, and Prinzapolka by the President Ortega-controlled Supreme Electoral Council (CSE), according to local leaders, is motivated more by the potential loss of lucrative logging contracts for trees felled by Hurricane Felix than by strict political concerns.

[1](#)2. (C) Transparent and free elections in November in the region are threatened. Political leaders fear that the CSE will facilitate changes of address for FSLN supporters from the three election-suspended municipalities, enabling them to vote in Liberal-controlled Siuna and Rosita. An influx of as few as 1,000 voters into these municipalities would virtually guarantee Liberal losses given the towns' relatively small voter bases. Leaders are also worried about voters being listed in other municipalities, the high percentage of eligible voters without "cedulas" (national ID), and the steep reduction in the number of independent election observers assigned to the region. END SUMMARY.

[1](#)3. (SBU) On a recent three day (March 31-April 2) trip to the RAAN's "Mining Triangle" towns of Siuna and Rosita, the Ambassador met with mayors, Liberal mayoral candidates,

community leaders, and civil society organizations to assess the reality of Liberal unity at the local level, to discuss how well the region is recovering from the affects of Hurricane Felix, and to understand the potential impact of possible election delays in the neighboring municipalities of Puerto Cabezas, Waspam, and Prinzapolka. The Ambassador also visited USAID-funded health projects in each town, breaking ground on a much needed well for a hospital in Rosita, and inaugurating an ultrasound diagnosis system at he health clinic in Siuna that allows doctors in Managua to remotely view ultrasound results of expectant mothers and discuss their cases in real-time with local doctors. This system is expected to sharply reduce maternal mortality rates in the municipality which are the highest in Nicaragua.

Liberal Unified, but Lack Energy and Vision

14. (C) Despite the turmoil created last month when ALN President Eduardo Montealegre was stripped of his control over the party just weeks before the candidate inscription deadline (ref B) and significant disagreement between Montealegre's supporters and local PLC leaders over candidate lists, the two parties successfully struck alliances in Rosita, Bonanza, and even Siuna where, only one month ago, it appeared such compromise was impossible (ref C). However, although now unified, the new "Liberal Alliance" in Rosita and Siuna have no clear campaign strategy or messages, and presented no concise visions for the future of these municipalities. When asked directly by the Ambassador to define their visions and strategies, the reactions were the same: the candidates shuffled uncomfortably in their chairs, exchanged glances, and after a half minute of silence, produced generic answers about transparency and not stealing

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money. We repeatedly heard the mantra that Siuna and Rosita are Liberal strongholds and, therefore Liberal candidates will win. (COMMENT: The exception was the vice-mayoral candidate from Bonanza -- representing Vamos Con Eduardo -- who displayed an impressive grasp of the regions issues and challenges and painted a clear vision for regional development. END COMMENT)

15. (C) In place of outlining campaign strategies, Liberal candidates complained that the FSLN is well-financed with money from the central government and outside assistance from Venezuela, enabling FSLN candidates to mount sizable campaigns while the Liberals have nothing. Liberal candidates repeatedly asked the Ambassador for direct campaign financing on the order of USD 50,000 for Siuna, USD 30,000 for Mulukuku, USD 30,000 for Rosita, and USD 15,000 for Bonanza. The Ambassador reminded them that the USG cannot finance political campaigns, but pledged to put them in contact with the Republican and Democratic Institutes (IRI and NDI, respectively) to discuss possible training opportunities. He also recommended that Liberal-affiliated NGOs in the region apply for USAID democracy funds.

Hurricane Relief Mismanagement - An FSLN Weak Spot?

16. (C) Candidates -- and members of civil society -- universally agreed that the FSLN has grossly mismanaged hurricane relief efforts by politicizing the distribution of assistance, strong-arming residents in affected communities to join President Ortega's Citizen Power Councils (CPC) or withholding assistance. Examples of directly affected communities that did not receive assistance because they would not acquiesce to the CPCs are still fresh in people's memories. However, Liberal candidates failed to articulate strategies to actively exploit this FSLN weakness. Instead, they appeared to take it on faith that people recognize the FSLN's poor performance and would automatically vote for Liberal candidates as a result.

The Politics of Wood - The Real Story Behind the Election
Suspension

17. (C) Civil society, political candidates, and mayors all agreed that FSLN and their Yatama allies' mismanagement of the Hurricane Felix situation as well as the regional government's failure to deliver on promised social and economic development programs virtually guarantee that the FSLN and Yatama would lose if elections were held in the hurricane-affected municipalities of Puerto Cabezas, Waspam, and Prinzapolka. However, they insisted that election loss, per se, is not Ortega and Yatama's principal reason for pushing to suspend elections (reftel A, C, D) in these three municipalities. Instead, our contacts universally agreed that Ortega and Yatama leaders fear that election loss would cause them to lose control over very lucrative concessions to remove an estimated one million hectares in timber downed by Hurricane Felix. While the mayors themselves do not control concession approval, the future composition of the Regional Council -- which does control the concessions -- would inevitably shift towards greater Liberal control of the Council's 45 seats. (NOTE: Liberals currently control 16 seats.)

18. (C) There is already strong suspicion that the pro-FSLN Yatama-controlled Council is granting -- or facilitating -- timber concessions to companies outside the region that have Sandinista ties while local timber companies and landowners are unable to harvest their own timber. Several contacts -- including three Liberal members of the Regional Council -- mentioned that the Council, in its last session, had granted a 60-year concession to a previously unknown company called Raya Ka Raya. While media reports claim it is a U.S. company, one of the Liberal Council members revealed, by

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name, several partners affiliated with the FSLN and Yatama. (COMMENT: Ironically, despite the fact that the Regional Council had recently voted on the concession, none of the three Liberal members we met with had a clear or complete understanding of concession terms, raising doubts about, at best, their active participation in the discussions and, at worse, their active collusion in the deal. END COMMENT)

Threats to November's Municipal Elections

19. (C) Over the course of meetings with the candidates and civil society leaders, several issues were raised that could clearly threaten the transparency and fairness of November's Municipal elections in the largely rural municipalities of Rosita, Siuna, and Bonanza:

-- Reduction in number of accredited observers:
Representatives from Ethics and Transparency (EyT) in Rosita and Siuna warned that their observer numbers had been cut in half for November's election due to a lack of funding, leaving Rosita with 28 observers (down from 45 in 2006) and Siuna with 70 observers (down from 114 in 2006).

-- Political affiliation of ALN voting table members: As the winner of the second largest number of votes in the 2006 Presidential elections, the ALN has the legal right to fill the presidency or first member position of each voting table in November's election. However, with control over the ALN reverting back to Eliseo Nunez Sr. -- who has reportedly struck a deal with Ortega -- members of the Liberal Alliance in Siuna, Rosita, and Bonanza fear that the ALN's voting table positions will be filled by FSLN members because most of the already small base of ALN supporters in these municipalities left the party for Vamos Con Eduardo, leaving the legal ALN party with very few bodies to fill the positions.

-- Influx of voters from municipalities where elections were suspended: Political leaders fear that if elections in Puerto Cabezas, Waspam, and Prinzapolka were suspended (NOTE: A fear later confirmed the evening of April 5 when the CSE announced that elections would be suspended in these three municipalities. END NOTE), the FSLN -- through its control of the CSE -- will encourage the influx of a large number of FSLN supporters into Liberal-controlled Siuna and Rosita by quickly facilitating changes of address, a normally lengthy step required to appear on voter lists. Liberals reported that an influx of less than 1,000 voters into either municipality would tip the scales in favor of FSLN candidates. (NOTE: This change of address scheme could be most easily accomplished in Puerto Cabezas, the most populated city in the RAAN and also the location of the CSE's regional office, making it very easy for FSLN supporters to complete the necessary paperwork. END NOTE)

-- Unverified Voter Lists: EyT representatives and Liberal candidates also expressed concern about the "raton loco" (crazy rat) phenomenon that affected rural voters in the 2006 Presidential elections in which voters' names appear on voter lists in other communities or municipalities far from home. Given the generally poor level of infrastructure, limited public transportation, little knowledge of their electoral rights, and high poverty levels of rural populations, most voters in such situations simply go home without voting. They are unable to argue their right to vote in their traditional voting center and find it is too difficult and expensive to travel to the location where their name appears.

-- Lack of documentation: Given that some 85 percent of the Mining Triangle's residents are rural, contacts warned that a significant portion (while exact figures were not available, estimates ranged from 30-50 percent) of the voting-age population lack either a "cedula" or a birth certificate (required to obtain a cedula). Getting a cedula is difficult because residents must travel to Puerto Cabezas -- 5 hours by

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bus at a cost of nearly USD 25 -- and wait several days for the documents to be issued. With the regional CSE under the control of the FSLN, contacts complained that Liberal-oriented voters are often sent away empty-handed with the excuse of missing documents, technical problems, etc. or are made to wait for long periods of time. As a result, many residents simply do not bother to get a cedula (SEPTTEL). In contrast, contacts insisted that the FSLN is facilitating the issuance of cedula for FSLN or pro-FSLN Yatama members.

Economic Situation is Mixed

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110. (U) Cattle ranching is the dominant economic activity between Rio Blanco -- the border town between the RAAN and the department of Boaco -- and Rosita, leading the mayor of Siuna to dub the area the "milk triangle" instead of the mining triangle. Along the 5-hour drive between the two towns, there is a nearly unbroken string of barbed-wire fences strung between a collage of painted fence posts, and cattle-hauling trucks lumbering past farmers sitting by the side of the road, waiting for the milk truck to collect their few battered canisters of milk. Basic agriculture and largely informal mining are the other primary activities in the region.

111. (U) There is wide-spread recognition that most cattle-farming operation are inefficient due to ranchers' ignorance about intensive land-use techniques and the availability of relatively cheap land. This rapid spread in cattle farming has caused an alarming loss in forest land, threatening watersheds and pressuring near-by bio-reserve. Political and community leaders want to see vocational programs to teach ranchers better land-use practices, including more intensive cattle-raising practices and economic diversification that would restore tree cover such

as growing cacao, citrus fruits, and even coffee in some areas. The main obstacle to re-orienting ranchers is a lack of resources in municipal governments and local community groups. The Ambassador encouraged contact with Rainforest Alliance and other organizations with similar expertise.

Community Property is a Common Source of Conflict

¶12. (U) Immigration from surrounding regions is driving the growth in cattle raising as poor farmers (and rich land speculators) look for cheaper land. According to Siuna's police commissioner, one "manzana" (approximately 1.7 acres) in Rosita or Siuna is USD 500 compared to USD 10,000 in the neighboring department of Matagalpa. This influx of immigrants has created serious tensions between the small indigenous population and the growing number of "mestizo" (mixed) from neighboring departments. By law, most land in the RAAN is held communally, however, much of it is unoccupied (and thus cheap). Given low indigenous population densities, new immigrants simply take the land or buy it from indigenous communities unfamiliar with property values. The director of FADCANIC, an indigenous NGO promoting further autonomy for the region, wryly captured the essence of the clash between indigenous and mestizo land-use philosophies when he commented that "(Indigenous peoples) use landmarks to indicate the limits of their territory, mestizos use barbwire."

Comment - Opportunities for Further US Assistance

¶13. (C) A number of clear opportunities for continued USG assistance through existing programs emerged from the trip and we will make every effort to facilitate contacts between our current partners and these various groups. Opportunities include:

-- Scholarships: In light of the paucity of post-secondary

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educational opportunities available in the region and its high level of poverty, there was great interest in scholarship opportunities. However, our contacts were generally unaware of the full range of USG scholarship programs. Our public affair section will follow-up and provide further information.

-- Small business development: There is a great need (and awareness) to diversify the region's economy. New crops such as coffee, cacao, and citrus fruits as well as tourism in the bioreserve have excellent potential in the region. USAID will facilitate contact with existing U.S. partners including Rainforest Alliance, Agora Partnership, Technoserve, and others.

-- Capacity building for farmers: Cattle-ranching will clearly remain the Mining Triangle's key economic driver for the foreseeable future. Therefore, as many leaders pointed out, working the ranchers to maximize usage of current ranchland and limit clear-cutting of additional forestland will be essential to preserving potable water supplies in the region. As capacity building efforts should also include economic diversification as described above, USAID's outreach efforts to existing partners will explore training options as well.

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